

# Mekonomen Group

MECA BilXtra Mekonomen

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## Mekonomen Group signs agreement with supplier for expansion of fully automated central warehouse

Mekonomen Group has signed an agreement with TGW Logistics Group to expand the existing central warehouse in Strängnäs with a fully automated section. The expansion is intended to create a Group-wide, flexible and cost-efficient platform for the supply chain in Mekonomen Group.

In a press release on 14 March 2016, Mekonomen Group announced the signing of a Letter Of Intent with the intention of investing in an automated central warehouse solution in Strängnäs and centralising the structure of the central warehouses in Sweden. An agreement is now signed with TGW Logistics as provider of a new, fully automated section in the Group's existing central warehouse in Strängnäs. At the same time, Mekonomen Group has revised downward the estimated investment of SEK 250 million during the period 2016–2018 announced on 14 March. Instead, the investment is estimated to total SEK 190 million during the period 2016–2018, largely due to a different investment plan for the extension of the building. The previously announced EBIT effect from savings of SEK 50 million annually from 2020 and the decrease in tied up capital of SEK 80 million with full effect from 2020 remain unchanged.

"This investment enables us to lay the foundation for the industry's most streamlined business flows with what is for our business, an optimal infrastructure," says Örjan Grandin, Supply Chain Director, Mekonomen Group.

For further information, please contact:

Örjan Grandin, Supply Chain Director, Mekonomen AB  
Tel: +46 8 464 00 00 E-mail: [orjan.grandin@mekonomengroup.com](mailto:orjan.grandin@mekonomengroup.com)